

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

<b>In the Matter of</b>	)	
	)	
<b>Implementation of Section 304 of the Telecommunications Act of 1996</b>	)	<b>CS Docket No. 97-80</b>
	)	
<b>Commercial Availability of Navigation Devices</b>	)	
	)	
<b>Compatibility Between Cable Systems and Consumer Electronics Equipment</b>	)	<b>PP Docket No. 00-67</b>

**COMMENTS OF ATI TECHNOLOGIES, INC.**

ATI Technologies, Inc. (“ATI”) hereby submits the following comments on the Second Further Notice of Proposed Rulemaking in the above captioned proceeding (the “Digital Cable Plug and Play Order”).

ATI is a leading supplier of digital television demodulator and visual image processing products for the personal computer and consumer electronic industries. In addition to being one of the world’s largest computer graphics chip suppliers, it develops and sells add-in boards for the personal computer that allow consumers to watch and record analog television on the computer.

Each year ATI spends millions of dollars and many hours of valuable engineering time researching and developing technologies for its innovative products. We rely on viable and sustainable technologies and standards in order to recoup development costs. If an output technology or a content protection technology were revoked it

could have serious financial and product cycle ramifications for device and silicon suppliers.

Furthermore, ATI believes that content owners, the Commission and qualified third parties are not the appropriate entities to make revocation determinations because, as far as we are aware, none of these parties invest in the development of technologies for the personal computer or consumer electronics industries nor are they the intended end consumers of digital television receiving devices. None of these parties are at risk monetarily if a technology is not approved or is revoked.<sup>1</sup> This may lead to ill informed decisions and consumer interoperability issues. Only an independent entity representing the cable operator, consumer electronics and information technology industries and consumer interests should make approval and revocation determinations. In cases of dispute between parties and the independent entity the Commission should act as final arbiter.

Revocation of a technology should never, under any circumstances, be retroactive. It should only occur after decision by the independent entity and only on a going-forward basis. As noted, ATI and other silicon suppliers will spend a considerable amount of time and money incorporating output and content protection technologies into their products. In order to recoup these expensive development costs and allow

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<sup>1</sup> Content providers may argue that it is their content at risk. That very argument weighs heavily against their having the ability to make revocation determinations. Since revoking a technology is costless to content providers, their natural inclination will be to revoke a technology whenever there is the slightest indication that the technology might have been hacked, even if the hack would have no significant impact on the utility of the technology. Moreover, as noted content owners would be able to appeal an entity decision to the Commission.

for time-consuming redesign efforts, a product cannot be withdrawn from the market until its natural obsolescence. Indeed, the natural product cycle is not to stop producing a chip when a new chip, with more features, speed, and functionality is released. Rather, the new design is used in high-range products, older design chips are price reduced and sold for mid-range products, in turn displacing the mid-range chip to the low range.

Revoking a technology before the product that incorporates that technology becomes obsolete through technological and market forces could cost vendors hundreds of millions of dollars. Companies would naturally attempt to pass these costs on to consumers. In addition, silicon fabricators may be forced to abandon plans to cost reduced and to forgo improving chips in their natural cycle chilling innovation to consumer's detriment.

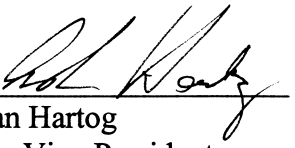
An independent body composed of cable operator, consumer electronics and information technology representatives and representatives of consumers (such as Public Knowledge and Consumers Union that have participated in this proceeding) would be in an ideal position to weigh the benefits of revoking a technology versus the harm to companies and consumers. In the event the subject of the body's decision believed the entity's decision was improper, it could appeal to the Commission.

Under the interim procedures, CableLabs is assigned two certification functions. One is to certify the first digital television product, while the second is to certify protection

technologies. While many aspects of Digital Cable Plug and Play are different than Broadcast Protection, certification of protection technologies is similar. We believe that the FCC, given its work on content protection technologies reflected in the Broadcast Protection Order, is the currently the best organization to shepherd the certification process. Therefore, ATI respectfully urges the Commission to provide for self-certification of protection technologies with review by the Commission as ATI proposed in its Comments on the Further Notice of Proposed Rulemaking in the Broadcast Protection Proceeding.

Accordingly, ATI respectfully requests that (a) revocation only be considered on a going-forward basis and (b) the Commission appoint an independent entity composed of the various industry and consumer interests to make approval and revocation determinations. ATI further respectfully requests that the Commission provide for self-certification of protection technologies with Commission review of objections.

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February 13, 2004